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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE

(No Surface Use)

		6210 0	ulluce obe	7		
THIS LEASE AGREEMENT I	s made this	day of	JINE		08, by and between	
Chester I McLu	rry, As Tr	ustee of	the Chester	Maccorry	Revocable	Living Ir
whose addresss is 1708 and, DALE PROPERTY SERVICE hereinabove named as Lesses, but 1. In consideration of a cardescribed land, hereinafter called in	S, L.L.C., 2100 Ross A t all other provisions (Inc sh bonus in hand pald	Juding the completion	of blank spaces) were pro	epared iointly by Lessor ar	nd Lessee.	
OUT OF THE A.S. FORT WONTH	<u>tall</u>	. TARRANT C	OUNTY, TEXAS, A	ADDITION, CCORDING TO THA	, BLOCK _ AN ADDITION TO AT CERTAIN PLA' RANT COUNTY, T	r recorded
in the County of Tarrant, State or reversion, prescription or otherwis substances produced in associat commercial gases, as well as hydiand now or hereafter owned by Liessor agrees to execute at Lesse of determining the amount of any second	in TEAAS, containing e), for the purpose of e foot the function including rocarbon gases. In addeessor which are configure's request any addition	exploring for, develop geophysical/seismic lition to the above-de- ous or adjacent to the at or supplemental ins	ing, producing and marke operations). The term scribed leased premises, a above-described leased truments for a more comp	"gas" as used herein in this lease also covers ac premises, and, in conside plete or accurate description	rith all hydrocarbon and cludes helium, carbon cretions and any small : cration of the aforement on of the land so covere	I non hydrocarbon dioxide and other atrips or parcels of tioned cash bonus, d. For the purpose
2. This lease, which is a "pa as long thereafter as oil or gas or otherwise maintained in effect purs 3. Royaltles on oil, gas and separated at Lessee's separator f. Lessor at the wellhead or to Lesso the wellhead market price then prevailing price) for groduction of the production, severance, or other expresses shall have the continuing roughly on such price then prevailing in the same or nearest preceding dail more wells on the leased premises are waiting on hydraulic fracture store deemed to be producing in pay there from is not being sold by the Lessor's credit in the depository displayed while the well or wells are shut-in a seling sold by Lessee from anot following cessation of such operal terminate this tease.	other substances covered until to the provisions hother substances produced acilities, the royalty shall of scredit at the oil purcle evailing in the same fle of similar grade and grade	Id hereby are produce ereof. It be TWENTY haser's transportation id (or if there is no stavity; (b) for gas (in if the proceeds reality is incurred by Lessee roduction at the prevale nearest field in whice Lessee commences in whice are capable of eith or wells are either shurpose of maintaining ill pay shut-in royally included in the proceeds in the proceeds of the proceeds are either shurpose of maintaining ill pay shut-in royally included in the proceeds of the proceeds	d in paying quantities from the shall be paid by Lesch price then prevailing cluding casing head gas sed by Lessee from the in delivering, processing liling wellhead market price there is such a prevailling spurchases hereunder; a per producing oil or gas out-in or production there from this lease. If for a period of one dollar per acre the 90-day period and there essee; provided that if the ands pooled therewith, no	in the leased premises or fasses to Lessor as follows: """>""">""""""""""""""""""""""""""""	rom lands pooled therent (a) For all and other titlon, to be delivered at nuling right to purchase the nearest field in whites covered hereby, the portionale part of adviced by the same analog purchase contrained by the primary term or any time the same see, such well or wells are should be purchase to be maintered by operation of the end of maintained by operation up to be maintained by operation to be the contrained by operation up to be the contrained by operation to the contrained by operation the contrained by t	iquid hydrocarbons Lessee's option to such production at ich there is such a ier royalty shall be valorem taxes and nces, provided that e field (or if there is cts entered into on ie thereafter one or ntitles or such wells shall nevertheless nut-in or production ide to Lessor or to said 90-day period ons, or if production 90-day period next
4. All shut-in royalty paymen be Lessor's depository agent for redraft and such payments or tende address known to Lessee shall copayment hereunder, Lessor shall, 5. Except as provided for in premises or lands pooled therewing pursuant to the provisions of Parnevertheless remain in force if Leson the leased premises or lands pithe end of the primary term, or all operations reasonably calculated I no cessation of more than 90 conthere is production in paying quantlessee shall drill such additional was provided to the production of the primary term.	eceiving payments regar rs to Lessor or to the de notifitite proper payment at Lessee's request, dell Paragraph 3. above, if th, or if all production (agraph 6 or the action see commences operational therewith within 9 than 1 any time thereafter, this o obtain or restore productive days, and if ar titties from the leased pr	dless of changes in the pository by deposit in . If the depository she iver to Lessee a proper Lessee drills a well with whether or not in pay of any governments it ions for reworking and days after completic is lease is not otherworking the control therefrom, this y such operations retemises or lands pool	e ownership of said land, the US Mails in a stamp until fluidate or be succe or recordable instrument in nich is incapable of producing quantitles) permaner i authority, then in the existing well or for dritting in of operations on such cliese being maintained in flease shall remain in force sult in the production of oed therewith. After compiled	All payments or tenders med envelope addressed to eded by another institution aring another institution aring in paying quantities (intly ceases from any cause event this lease is not off an additional well or for intry hole or within 90 days force but Lessee is then easo long as any one or mild or gas or other substantetion of a well capable of	the depository or to the n, or for any reason fail is depository agent to re- hereinafter called "dry hase, including a revision herwise being maintain therwise obtaining or re- after such cessation of a engaged in drilling, rewoone of such operations a ces covered hereby, as producing in paying que	n, or by check or by a Leasor at the last or refuse to accept accive payments. ole") on the leased of unit boundaries ed in force it shall estoring production. If at orking or any other are prosecuted with a long thereafter as antities hereunder,

to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all deplits or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not slimitar pooling authority exists with respect to such other tands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a programment of the properties of the programment of the programment

- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in ich part of the leased premises
- such part of the leased premises.

 8. The interest of either Lesser or Lessee hereunder may be assigned, devised or otherwise transferred in whote or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the Interest which each owns. If Lessee transferrs its interest hereunder in whote or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest shall not affect the rights of tessee with respect to any interest not so transferred. If Lessee transferrs a full or undivided interest in any interest not so transferred. If Lessee transferrs a full or undivided interest in all or any portion of the area covered by this lease, the obligation to

Lessee with respect to the transferred interest, and failure of the transferred to salisy such obligations with respect to the transferred of the transferred to salisy such obligations to the salisy such obligation of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferred in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

- cordance with the net acreage interest retained hereunder.

 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipellnes, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessee hereunder, without Lessor's consent and Lessee shall oav for damage caused by its operations to buildings and other improvements premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures,
- now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, flot, strike or labor disputes, or by inability to obtain a satisfactory market for production or fallure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease, receives a bona file offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease, receives a bona file offer which Lessor is willing to accept from any party offering to purchase from expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of t

there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or

other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

operations

be executed in counterparts, each of which is deemed an original and all of which only constitute one original. DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing term which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.					
LESSOR (WHETHER ONE OR MORE)					
By: Chester IRI McCurry, Trustee By:					
ACKNOWLEDGMENT STATE OF Texas					
COUNTY OF Tarrant This instrument was acknowledged before me on the 1th day of Jene 2008, 2008, by Charter 1 McCurry, as Trustee of the Charter 1 McCurry Revocable Living Trust					
MARIA MUNOZ PADILLA Notary Public, State of Texas Notary's name (printed): Notary's commission expires October 05, 2011					
STATE OF COUNTY OF This instrument was acknowledged before me on theday of, 2008, by:					



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> <u>WARNING - THIS IS PART OF THE OFFICIAL RECORD.</u>

\$20.00

Filed For Registration: 06/17/2008 11:42 AM
Instrument #: D208231886
LSE 3 PGS

D208231886

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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